

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



November 30, 2018

GI2018-09-SCG-44

Mr. Jimmie Cho, Senior Vice President
Southern California Gas Company
555 West 5th Street, GT21C3
Los Angeles, CA 90013

Subject: General Order (G.O.) 112-F Operation and Maintenance Inspection of Southern California Gas Company's Goleta Storage Facility

Dear Mr. Cho:

The Safety and Enforcement Division (SED) of the California Public Utilities Commission conducted a G.O. 112-F Operation and Maintenance Inspection of Southern California Gas Company's Goleta Storage Facility from September 17 through 20, 2018. The inspection included a review of the operation and maintenance records, procedures and Operator Qualification records pursuant to G.O. 112-F, Reference Title 49, Code of Federal Regulations (49 CFR), Parts 191 and 192 for the period of 2016 through June 2018. In addition, SED conducted field inspections of pipeline facilities that included field observation of randomly selected individuals performing covered tasks at Goleta Storage Facility in the city of Goleta in Santa Barbara County.

SED staff noted one probable violation and five concerns. The probable violation and five concerns are noted in the attached "Post-Inspection Written Preliminary Findings".

Please provide a written response within 30 days of your receipt of this letter indicating the measures taken by SCG to address the probable violation and the concerns noted in the Post-Inspection Written Preliminary Findings.

If you have any questions, please contact Mahmoud (Steve) Intably, at (213) 576-7016.

Sincerely,

A handwritten signature in blue ink that reads "Kenneth A. Bruno".

Kenneth Bruno
Program Manager
Gas Safety and Reliability Branch
Safety and Enforcement Division

CC: Mahmoud (Steve) Intably, SED/GSRB, Matthewson Epuna, SED/GSRB, Kan Wai Tong, SED/GSRB, and Troy Bauer, Sempra Energy Utilities

Post-Inspection Written Preliminary Findings

Date of Transmittal: 11/22/2018

Dates of Inspection: 9-17 thru 20, 2018

Operator: SOUTHERN CALIFORNIA GAS CO

Operator ID: 18484 (primary)

Inspection Systems: [Enter Systems Here]

Assets (Unit IDs): Goleta - Storage Facility (87077)

System Type: GT

Inspection Name: Goleta Storage Field

Lead Inspector: Mahmoud Intably

Operator Representative: Khoa Lei

Unsatisfactory Results

Facilities and Storage: Compressor Station System Protection (FS.CSSYSROT)

Question Text Are gas engines in compressor stations equipped with mufflers that prevent gas from being trapped in the muffler?

References 192.171(e)

Assets Covered Goleta - Storage Facility (87077 (44))

Issue Summary During the record review of Goleta Storage Field, SED's staff noted that Goleta Compressor station Unit #9, has a reciprocating engine exhaust gas equipped with model BEO-Engine Exhaust Silencer manufactured by Burgess-Aarding. The manufacture's description/specification of the model BEO-Engine Exhaust Silencer did not indicate that the model has vent slots or holes in the baffles of each compartment to prevent gas from being trapped in the muffler. SED noted that SCGs failed to take the necessary steps to ensure that the model BEO-Engine Exhaust Silencer is modified to prevent gas from being trapped in the muffler. Therefore, is in violation of General Order 112- F1, Reference title 49CFR, Part 192, §192.171(e).

Concerns

Design and Construction: Design of Pipe Components (DC.DPC)

Question Text Are anchors and supports being installed as required by 192.161?

References 192.141 (192.161(a), 192.161(b), 192.161(c), 192.161(d), 192.161(e), 192.161(f))
 Assets Covered Goleta - Storage Facility (87077 (44))
 Issue Summary 1. During the field inspection of Goleta Storage Field, SED's staff observed that Line 5026 was supported with wooding supports temporarily coated with Pyrocrete 241 HD (cementitious fireproof material) until a permit is obtained from the California Coastal Commission. SED recommends that SCG expedite the replacement of the wooden supports.

Design and Construction: Maintenance and Operations (DC.MO)

Question Text Does the process ensure that pipeline maintenance construction and testing activities are made to provide safety, as required of 192.605(b)?
 References 192.605(b) (192.605(b)(9))
 Assets Covered Goleta - Storage Facility (87077(44))
 Issue Summary 1) SCG' procedure 223,0360 Instrument Maintenance and Metering Devices-Storage Field and Transmission Facilities, Section 4 Non-Custody Transfer Information Equipment reference SCG' procedure 185.0310, Measurement and Regulation Equipment: Inspection Schedule-Medium & Large Customer Meter Set Assemblies for inspection requirements. SCG's procedure 185.0310, Section 6, Instruments-Equipment Inspection Table did not include the process/steps needed to inspect and calibrate the Fisher Electro-Pneumatic transducer and Fisher positioner. SED recommends that SCG to review and revise its procedures to include the manufacturer's standard calibration procedure and to ensure that the Fisher relief valve 704-R is in a good working condition.

2) SCG' procedure 184.0275 Inspection Schedule-Regulator Station, Power Generating Plant Regulation Equipment Requirement, Appendix A, Section 4.11 check regulator lock-up states in part:

"Check all regulators, relief valves, and signaling devices for lock-up and record lock-up difference"

During the record review of measurement and regulation equipment, SED's staff observed that SCG' employees performing the inspection failed to log/record/enter the inspection result of the lock-up difference on the inspection form. SED recommends that SCG take the necessary steps to ensure the employees follow the instruction set forth in the procedure.

3) SCG' procedure 223.0345 Pressure Relief/Pressure Limiting Devices, Testing/Inspection, Section 11, Method-Pressure Limiting, Sub-Section 11.6 states in part:

"Result shall be documented on appropriate forms (i.e. MAXIMO order)"

During the record review of Pressure Relief/Pressure Limiting Devices, SED's staff observed that SCG' employees performing the inspection failed to document the lock-up result on the inspection form. SED recommends that SCG take the necessary steps to ensure the employees follow the instruction set forth in the procedure

Time-Dependent Threats: External Corrosion Atmospheric (TD.ATM)

Question Text Is pipe that is exposed to atmospheric corrosion protected?
 References 192.481(b) (192.481(c), 192.479(a), 192.479(b), 192.479(c))
 Assets Covered Goleta - Storage Facility (87077 (44))
 Issue Summary 1. During the field inspection of Goleta Storage Field, SED's staff observed that pipe supports for Line 5026 and Line 247 were in contact with a pipe (scraping the surface of the pipe) resulting in a coating damage to the pipe. SED recommend that SCG take the necessary steps to install Micarta to prevent coat damage and to paint the pipe to prevent any atmospheric corrosion.

